

Message Text

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14

ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /100 W

----- 106989

R 072100Z OCT 76

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 1857

INFO AMCONSUL GUAYAQUIL

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E.O. 11652: N/A

TAGS: ENRG EC

SUBJ: SHELL OIL COMPANY REPORTEDLY WILL SUE CEPE FOR DEBTS

1. LOCAL GULF MANAGER JACK O'BRIEN HAS TOLD THE E/C COUNSELOR A RUMOR IS CIRCULATING IN CORAL GABLES TO THE EFFECT THAT THE SHELL OIL COMPANY WILL BRING OR HAS ALREADY BROUGHT SUIT AGAINST THE ECUADOREAN STATE PETROLEUM ASSOCIATION (CEPE) TO COLLECT SOME SUBSTANTIAL AMOUNT OF DEBTS OWED FOR SHELL'S SUPPLIES OF "PRODUCT MIX" FOR CURACAO FOR ECUADOR'S REFINERIES. O'BRIEN STRESSED THAT HE HAS BEEN UNABLE TO OBTAIN CONFIRMATION FROM ANY LOCAL SOURCE.

2. UNTIL FEBRUARY OF THIS YEAR, SHELL'S SUPPLIES OF PRODUCT MIX TO ECUADOR WERE ON A BARTER ("TRADE OUR") BASIS, IN EX-CHANGE FOR ECUADOREAN CRUDE OIL. SINCE THEN ECUADOR'S PURCHASES OF PRODUCT MIX FROM SHELL HAVE BEEN UNDER A CONTRACT CALLING FOR MONETARY PAYMENTS. IT IS WELL KNOWN IN ECUADORIAN OIL CIRCLES THAT CEPE HAS BEEN IN RATHER SERIOUS DEFAULT ON ITS PAYMENTS DUE FOR THESE SHIPMENTS FROM CURACAO.

3. COMMENT: WITH THE GULF CASE STILL VERY MUCH A MATTER

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OF PUBLIC CONCERN, AND WITH THE ESSO ANDINA CASE THREAT-

ENING TO BECOME A PUBLIC ISSUE SOON, THE GOE WILL UN-
DOUBTEDLY BE HIGHLY DISMAYED IF SHELL WERE TO BRING SUIT
AND THE FACT WERE TO BECOME KNOWN IN ECUADOR (AS IT SURELY
WOULD BE).

CORR

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, LITIGATION, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 OCT 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MartinML
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976QUITO07266
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760379-0964
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761072/aaaacknf.tel
Line Count: 66
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MartinML
Review Comment: n/a
Review Content Flags:
Review Date: 04 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 MAY 2004 by buchant0>; APPROVED <25 AUG 2004 by MartinML>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SHELL OIL COMPANY REPORTEDLY WILL SUE CEPE FOR DEBTS
TAGS: ENRG, EC, US, SHELL, CEPE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006